

**53B-8a-107. Program, administrative, and endowment funds -- Investment and payments from funds.**

(1) (a) The plan shall segregate money received by the plan into three funds, the program fund, the administrative fund, and the endowment fund.

(b) The plan, as approved by the board, may hold, deposit, and invest program fund, administrative fund, and endowment fund money in the following:

- (i) the Public Treasurer's Investment Fund;
- (ii) mutual funds, securities, or other investments registered with the United States Securities and Exchange Commission;
- (iii) federally insured depository institutions;
- (iv) stable value products, including guaranteed investment contracts, guaranteed interest contracts, and guaranteed insurance contracts; and
- (v) any investments that are determined by the board to be appropriate and that would be authorized under:

- (A) the provisions of Section 51-7-11; or
- (B) rules of the State Money Management Council applicable to gift funds.

(2) Transfers may be made from the program fund to the administrative fund to pay operating costs:

(a) associated with administering the plan and as required under Sections 53B-8a-103 through 53B-8a-105; and

(b) as included in the budget approved by the board.

(3) (a) All money paid by account owners in connection with account agreements shall be deposited as received into separate accounts within the program fund which shall be invested and accounted for separately.

(b) Money accrued by account owners in the program fund may be used for:

- (i) payments to any institution of higher education;
- (ii) payments to the account owner or beneficiary;
- (iii) transfers to another 529 plan; or
- (iv) other expenditures or transfers made in accordance with the account agreement.

(4) (a) All money received by the plan from the proceeds of gifts and other endowments for the purposes of the plan shall be:

(i) deposited, according to the nature of the donation, as received into the endowment fund or the administrative fund; and

(ii) invested and accounted for separately.

(b) Any gifts, grants, or donations made by any governmental unit or any person, firm, partnership, or corporation to the plan for deposit to the endowment fund or the administrative fund is a grant, gift, or donation to the state for the accomplishment of a valid public eleemosynary, charitable, and educational purpose and is not included in the income of the donor for Utah tax purposes.

(c) The endowment fund or the administrative fund may be used to enhance the savings of low income account owners investing in the plan, for scholarships, or for other college savings incentive programs as approved by the board.

(d) Transfers may be made between the endowment fund and the administrative fund upon approval by the board.

(e) Endowment fund earnings not accruing to a beneficiary under an account

agreement, not transferred to the administrative fund, or not otherwise approved by the board for expenditure, shall be reinvested in the endowment fund.

Amended by Chapter 46, 2011 General Session